

Jo Ann Goddard
Director
Federal Regulatory Relations

1275 Pennsylvania Avenue, N.W., Suite 400
Washington, D.C. 20004
(202) 383-6429

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August 20, 1993

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William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: *CC Docket No. 93-162 - Local Exchange Carriers' Rates Terms and Conditions for Expanded Interconnection for Special Access*

On behalf of Nevada Bell, please find enclosed an original and eight copies of its "Direct Case" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosures

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AUG 20 1993

Before the
Federal Communications Commission
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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In the Matter of)

Local Exchange Carriers' Rates)
Terms and Conditions for)
Expanded Interconnection for)
Special Access)

CC Docket No. 93-162

DIRECT CASE OF NEVADA BELL

Charles A. Zielinski
A. Richard Metzger, Jr.
Rogers & Wells
607 14th Street, N.W.
Washington, D.C. 20005
(202) 434-0700

Margaret Garber
Nevada Bell
645 East Plumb Lane
Reno, Nevada 89520
(702) 333-3138

James L. Wurtz
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 383-6400

DATED: August 20, 1993

Attorneys for Nevada Bell

SUMMARY

Nevada Bell presents herein its direct case in response to the Commission's Order Designating Issues for Investigation in CC Docket No. 93-162. Nevada Bell shows that the rates, terms and conditions under which it provides expanded interconnection service ("EIS") are just and reasonable.

The cost information furnished in connection with the Commission's Tariff Review Plan ("TRP") together with the additional documentation provided with this submission show that Nevada Bell's EIS recurring and non-recurring rates were properly developed. Further, Nevada Bell demonstrates herein that its rate structure for EIS permits customers to obtain only the services they require and does not bundle non-essential and essential services in a single rate element. Individual services that may have independent value to a customer may be ordered separately.

Nevada Bell also responds to the various issues raised by the Designation Order with respect to the terms and conditions under which it provides EIS. In particular, Nevada Bell shows that: its EIS ordering requirements are designed to promote efficient use of central office space; its interconnection arrangements allow EIS customers to retain control over channel assignments on their networks; and its insurance requirements and limitations on liability are reasonable.

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Before the
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DIRECT CASE OF NEVADA BELL

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Pursuant to the Order Designating Issues for Investigation (DA 93-951) ("Designation Order") issued July 12, 1993 in the above-captioned proceeding, Nevada Bell hereby submits its direct case on the issues that are applicable to its tariff governing expanded interconnection for special access ("EIS").

I. Issues Designated for Investigation

A. Rate Levels

(a) Tariff Review Plan

The Designation Order requires exchange carriers to furnish with their direct cases the information specified in the Tariff Review Plan ("TRP") that was attached as Appendix C to the Order.¹ That information is included herewith as Appendix A. In addition, Nevada Bell has filed concurrently diskettes containing the TRP in Lotus 1-2-3 format.

¹ Designation Order, ¶ 14.

(b) Itemized Cost Information

1) Nevada Bell's response to Paragraph 22(b)(1) of the Designation Order is set forth in Appendix B hereto.

2) The investment amounts listed in the TRP for EIS functions represent the new investment and allocated embedded investment (e.g., floor space) required to provide each element of this service. In some cases, secondary investment loadings were applied against the primary investment. This secondary investment recovers costs used to support the primary investment (i.e., land, building, power and common).

As shown by the TRP, five depreciation plant lives were used for this study. A depreciable life of 30 years was used for certain investment in Account 2111 and a depreciable life of 9.3 years was used for certain investment in Account 2232, pursuant to schedules approved by the FCC.² These lives were used for plant that was assumed to be reusable. A depreciable life of 5 years was used for certain other investment in these two Accounts. These lives assumed that the plant involved was non-reusable and the service would last for 5 years. For investment associated with DS1 and DS3 rate elements that is assigned to Account 2232, a depreciable life of 2 years was used. This life is based on assumptions that the plant will not be non-reusable and the service will last for two years.

The rate of return used to calculate Nevada Bell's EIS rates was the authorized rate of 11.25 percent. In completing the TRP charts, however, Nevada Bell found that the Lotus spread sheet

² See Memorandum Opinion and Order, 7 FCC Rcd. 1050 (1992).

format consistently produced anomalous cost of money calculations. Nevada Bell is attempting to determine the cause of this problem and will amend its schedules as soon as the error is corrected.

3) Nevada Bell's response to Paragraph 22(b)(3) of the Designation Order is set forth in Appendix C. These schedules set forth the cost basis for each of the EIS non-recurring charges. The hours listed for each labor function were based on estimates furnished by personnel who perform those functions. The hourly rate shown reflects wages plus benefits plus loadings. The specific loadings are identified in Appendix C.

(c) Overhead Cost Information

The Designation Order requires exchange carriers to provide the overhead factors used to develop each rate element, the basis for the factors and their derivation. In addition, exchange carriers are directed to provide overhead factors used to develop DS1 and DS3 services and to explain any differences between the factor used for those services and those used to compute rates for expanded interconnection service. Finally, exchange carriers are required to describe adjustments that were made to the overheads for expanded interconnection services in order to prevent double-recovery.³

Nevada Bell used a uniform factor of 27.07 percent to compute the overhead portion of each rate. As shown by the

³ Id. at ¶ 22(c)(1). Paragraph 22(c)(2) also requires carriers to justify their "closure" factors. Nevada Bell did not utilize such factors in calculating its expanded interconnection rates.

schedule entitled "Overhead" in Appendix B, this factor was calculated by determining the ratio of total corporate overhead to total expenses less overhead.

The overhead factor used to compute Nevada Bell's initial DS3 rate was 1.1709.⁴ As shown in the workpapers that accompanied that filing, however, the DS3 overhead factor was not calculated as a uniform overhead ratio. Rather, Nevada Bell explicitly stated that the overhead costs "reflect the cross elastic effects of the DS1 service offering which raises the overheads for the DS3 offering."⁵

Nevada Bell's initial DS1 rate was filed under Transmittal No. 74 on October 2, 1987. At that time, Nevada Bell's rates were developed on the basis of the FCC's cost-of-service regulation. Under that regulatory system, overhead costs were not assigned to rate elements by application of a percentage factor. Instead, overhead costs were assigned to rate categories pursuant to Parts 32, 36 and 69 of the Commission's rules. Moreover, since January 1, 1991, Nevada Bell's interstate access charges have been governed by the FCC's price cap system of regulation. Pursuant to those rules, Nevada Bell has periodically adjusted its rates for DS1 and other special access services, consistent with applicable pricing constraints. Consequently, the current DS1 rates do not

⁴ Nevada Bell, Trans. No. 148, Description and Justification at workpaper 4 (filed Dec. 16, 1992).

⁵ Id., Description and Justification at 1. Nevada Bell estimated that one customer would replace its existing 380 DS1 circuits with DS3 service.

reflect and were not developed on the basis of a particular overhead factor.

Nevada Bell does not offer any discounted volume, term or specialized DS1 or DS3 services.

Nevada Bell's rates for EIS do not require an adjustment to prevent double recovery of costs that would typically be included as overhead amounts assigned to all rate elements. The investment amounts assigned to EIS rate elements reflect the expected costs of the direct investments required to furnish particular services. Nevada Bell then applied annual charge factors to the direct investment amounts to calculate the direct capital and operating expenses associated with the specific investment. Capital-related expenses consist of depreciation, return and taxes. Operating expenses consist of maintenance, administration and other taxes. The overhead factor of 0.2707 was then applied to the total amount of maintenance and administration operating expenses and depreciation capital expenses to compute overhead expenses.

Thus, Nevada Bell's EIS rates were developed to recover the costs directly incurred to provide this new service plus a proportionate share of overhead costs. The direct investment and expense amounts are booked to different accounts under the Uniform System of Accounts than those to which overhead costs are booked.⁶

⁶ Direct investment consists of Land and Building costs booked to USOA accounts 2121 and 2111 (respectively). Depreciation expense is booked to account 6561. Maintenance factors vary according to the investment account and represent the operating expense for each investment account. 10C Account 2111 utilizes a maintenance factor of 0.0845 to recover (continued...)

Consequently, no adjustment to Nevada Bell's overhead factor is required to prevent recovery of the same expenses twice.

(d) Sample Price Outs

The "price outs" specified by Paragraph 22(d)(1) of the Designation Order are attached hereto as Appendix D. Diskettes containing this information in Lotus 1-2-3 format have been filed concurrently.

(e) Non-recurring Charges for Recurring Costs

Nevada Bell did not include the present discounted value of depreciation expense or the cost of money in its non-recurring charges. The non-recurring charges also did not include the

⁶(...continued)

expense booked to Account 6121.11 (repair of Land and Buildings). 357C Account 2232 utilizes a maintenance factor of 0.0172 to recover expense booked to Account 6232.11. The Administration factor is related to all investment accounts and recovers the expense for the following accounts: 6112 - Motor Vehicle, 6114 - Special Purpose Vehicle, 6115 - Garage Work Equipment, 6116 - Other Work Equipment, 6121.3 - Rental of Land and Building, 6122 - Furniture and Art works, 6123 - Office Equipment, 6124 - General Purpose Computers, 6512 - Provisioning Expense, 6534 - Network Administration, 6535 - Engineering - 6611 - Product Management, 6612 - Sales, 6613 - Product Advertising, 6623 - Customer Service. Other Taxes is also related to all investment accounts and represents the expenses booked to account 7240. Power expense is booked to Account 6531. The Overhead factor is developed and applied utilizing Nevada Bell's "Total Operating Expenses". It is intended to recover costs booked to the following USOA Accounts: 6711 - Executive, 6712 - Planning, 6721 - Accounting and Finance, 6722 - External Relations, 6723 - Human Resources, 6724 - Information Management, 6725 - Legal, 6726 - Procurement, 6727 - Research and Development, 6728 - Other General and Administrative. In short, there is no overlap between the expense accounts that compute direct expenses and those that are recovered through the overhead factor.

discounted value of other recurring expenses, such as maintenance and taxes.

(f) Floor Space Charges

1) The average embedded cost per square foot of floor space at the Nevada Bell central offices where EIS is available is \$40.94. Nevada Bell cannot determine the "market value" of such space, because there is no other commercial space available in Reno, Sparks or Carson City that is in any way comparable to its central offices.

2) Nevada Bell did not use market rental rates to calculate its floor space charges.

3) Nevada Bell did not base its charges for floor space on data from R.S. Means or any similar publication.

4) Nevada Bell developed separate floor space rates for each of the central offices in which EIS is available.⁷

(g) Power Charges

1) The equation used by Nevada Bell to compute the costs of AC power is set forth in Appendix E.

(h) Cross-Connection Charges and Termination Equipment Charges

1) Nevada Bell did not include the cost of repeaters in its cross-connection charges because such equipment will not be necessary to provide cross-connection service. All cages will be

⁷ Nevada Bell, Tariff F.C.C. No. 1, § 18.8.2.

constructed on the same floor on which Nevada Bell's central office equipment is located or an adjacent floor. Because the distance between the interconnector's equipment and the company's Special Access facilities will be significantly less than 600 feet, repeaters should not be required.

2) Nevada Bell plans to utilize a distributed configuration. This decision was based primarily on its estimate that no more than one customer will order special access EIS in any of the four central offices in which it is available. Nevada Bell's engineers have concluded that a distributed (dedicated) configuration is better suited to a central office with one EIS customer which requires only a single point of termination. In addition, the short distance between Nevada Bell's digital cross-connect panel in each office and the jack which will serve as the point of termination ("POT") also favors use of a distributed configuration. The distributed configuration is also expected to be easier to maintain than a centralized configuration.

3) Nevada Bell did not include a POT frame or POT bay as part of the investment for any EIS rate element. Nevada Bell plans to use a jack, which will serve as the point of demarcation between an EIS customer and Nevada Bell's facilities. Cabling will be installed to interconnect the jack with the DS1/DS3 cross-connect panel.

(1) Security Charges

Nevada Bell's EIS tariff does not impose any security requirements on interconnectors going to and from their collocation

area. Nevada Bell expects that customers will obtain access to their facilities by entering through a separate door, constructed for this purpose, that leads directly to the cages.

A security escort (engineer or technician) is required when the interconnector requires access to unsecured areas in which Nevada Bell facilities are located. Since the interconnector in these instances will be working near Nevada Bell equipment and facilities, this requirement is reasonable and necessary in order to assure that the interconnector's activities do not pose any risk of damage to those facilities or disruptions to service.

Nevada Bell operates an emergency maintenance number on a 24-hour per day basis. If an interconnector requires access to unsecured areas outside of regular business hours, it will be directed to call that number to obtain a security escort.

(j) Virtual Collocation Rates

Nevada Bell does not offer virtual collocation service.

B. Rate Structure

(a) Rate Structure

Nevada Bell's rate structure for EIS establishes separate rate elements for the services and equipment that a customer may require to collocate its equipment within the company's central office facilities. The rate elements include only the essential services that are needed to meet a customer's requirements and do not bundle essential and non-essential services. Nevada Bell has not tariffed a separate space preparation rate element because it

did not incur any incremental costs in preparing the four central offices to make EIS available.

Nevada Bell's recurring floor space element recovers the costs associated with the four necessary components of that service: 1) cage; 2) cable rack; 3) AC power; and 4) space (per 100 square feet). These components constitute the minimum elements that are essential to the provision of EIS; the absence of any one of these elements would render the remaining elements useless for EIS. Although a customer may decide to install a cable rack within its cage, provision of EIS will require Nevada Bell to construct a rack to route fiber optic cable from vault to the Interconnection Chamber.

Simply stated, all four of the components of the recurring floor space charge are needed in order to make this service useful to customers. Other services, such as conduit space, have independent value to customers and also may be needed in varying amounts. Those services are offered under separate rate elements.

(b) Central Office Construction Charges

1) As noted above and in its original transmittal, Nevada Bell estimates that no more than one interconnector will request service in any of the four central offices in which EIS is available. In view of the fact that the few urban areas in its service territory are comparatively small and no alternative access provider to date has entered or announced plans to enter its service territory, even that estimate appears unduly optimistic.

Consequently, any suggestion that the scenario outlined in the Designation Order, which assumes that an initial customer would receive EIS, then terminate service and remove its equipment, and be followed by a second EIS customer, might occur in Nevada Bell's service territory is completely speculative. Nevada Bell did not include the present discounted value of future maintenance expenses in its non-recurring charges for EIS.

2) Nevada Bell understands the term "common construction costs" to refer to costs incurred in connection with the preparation of central offices to furnish EIS. Nevada Bell did not incur such costs because each of the four offices have substantial unoccupied floor space that can be used to construct the cages and other facilities that would be required should a customer request EIS. Racks, AC power feeds and other equipment will be installed on a customer-specific basis. Accordingly, Nevada Bell has not tariffed a separate rate element to recover common construction costs nor included such costs in any non-recurring charge for EIS.

(c) Nevada Bell has not tariffed a non-recurring charge for equipment.

(d) Nevada Bell requires an interconnector to pay the non-recurring charge for construction of the cage and related facilities (Interconnection Chamber Charge) in advance.⁸ Two considerations justify this payment schedule. Deferring part or all of the payment until after completion of construction places the risk of default or cancellation on Nevada Bell. That risk should be borne by the customer, since Nevada Bell would not incur

⁸ Nevada Bell, Tariff F.C.C. No. 1, § 18.2.5(A)(3).

the incremental construction costs if the customer had not requested EIS. In addition, Nevada Bell's tariff provides for refund of the unexpended portion of the payment in the event that the customer withdraws its service request.⁹

Second, staged payment schedules are appropriate in instances where there is some doubt about the contractor's capability to perform. In this case, however, the Commission's EIS policy requires Nevada Bell to provide the interconnection facilities in its end office upon request. No additional assurance that the work will be completed is needed. Deferring part or all of the payment until completion of construction would serve only to require Nevada Bell to assume the cost of financing the construction until it received payment. Nevada Bell has no interest in entering the finance business.

(e) Nevada Bell offers DC power on 48 volt circuits in 10 amp increments. In Nevada Bell's experience, such circuits are typical for furnishing power to telecommunications equipment.

(f) This issue does not apply to Nevada Bell's EIS tariff.

(g) Nevada Bell's tariff requires an EIS customer to assume the cost of any modification or upgrade to the interconnection chamber that is necessitated by fire codes, the Americans with Disabilities Act or other governmental regulations applicable to the interconnector's use of the chamber.¹⁰ The tariff also requires an EIS customer to reimburse Nevada Bell for "extra-ordinary costs incurred on behalf of" the customer. This provision

⁹ Nevada Bell, Tariff F.C.C. No. 1, § 18.5(A)(6).

¹⁰ Nevada Bell, Tariff F.C.C. No. 1, § 18.7.

is designed to cover unusual and substantial costs imposed by governmental authorities that Nevada Bell may incur because of the EIS customer's use of the central office space for an interconnection chamber. It does not apply to the cost of improvements and other modifications that Nevada Bell would have to undertake even if the interconnector had not placed its facilities in the company's central office. Thus, this provision is consistent with the FCC's overriding principle of recovering costs of service from the customers who cause those costs to be incurred.

**C. Tariff Provisions Governing Interconnection
Space Size, Expansion and Location**

(a) Under Nevada Bell's EIS tariff, the minimum floor space that a customer may order is 100 square feet,¹¹ a standard that is supported by the interconnectors themselves.¹² Additional floor space is similarly provided in 100 square foot increments in order to maximize the efficient use of the available space. This configuration furnishes an EIS customer with ample space for its initial equipment while providing some space for expansion. Based on Network Equipment Building Systems ("NEBS") guidelines¹³, a 10 foot by 10 foot area is capable of accommodating six bays of equipment and requires only 30 square feet of aisle space. Thus, only 130 square feet is required for six bays of equipment. Making

¹¹ See Nevada Bell, Tariff F.C.C. 1, § 18.2(A)(1).

¹² Designation Order, at ¶ 32.

¹³ NEBS is a Bellcore technical reference which presents Bellcore's view of proposed minimum generic requirements that appear to be appropriate for all new telecommunications equipment systems used in a central office.

space available in smaller increments would require much more space for aisles, since each smaller space would require an access point. Moreover, smaller spaces in many cases could not be configured as a larger space. Thus, if, for example, space were provided in 25 square foot increments, the minimum by NEBS guidelines to support one equipment bay, plus approximately 15 square feet for aisle access, an EIS customer would have to have 150 square feet of area in the central office and would require at least 90 feet for aisles. Nevada Bell would have to devote a total of 240 square feet of area in its office to accommodate the same amount of equipment that it can accommodate with 130 square feet under its existing space requirements.

Nevada Bell has not imposed any maximum limit on the amount of floor space that an interconnector may order. There is substantial unoccupied space in each of the four central offices and Nevada Bell expects that at most, one customer will request special access EIS in each office.

(b) This issue does not apply to Nevada Bell's EIS tariff.

(c) Nevada Bell will treat an order for additional space as a new order because it must follow exactly the same order processing and provisioning steps in both cases and thus will incur essentially the same non-recurring costs in installing the additional facilities as were incurred in the initial installation. Nevada Bell offers EIS pursuant to Tariff, not under an agreement with the customer.

(d) In the event that a customer orders EIS and subsequently orders additional space for expansion, the tariff obligates Nevada

Bell to use its "best efforts to provide the additional space contiguous" to the customer's existing space.¹⁴ Further, Nevada Bell will permit the customer to select the location of the additional space from the space available in the central office. In the unlikely event that contiguous space is not available, Nevada Bell is prepared to install direct cabling between a customer's non-contiguous areas.

D. Expanded Interconnection With Dark Fiber Service

Nevada Bell does not offer dark fiber service.

E. Interconnector Control Over Channel Assignment On Interconnector's Network

(a), (b) Interconnectors that order special access EIS from Nevada Bell will have the right to determine channel assignments on the interconnector's network. An interconnector's circuits will be wired at the point of termination, which marks the demarcation between Nevada Bell's network and the interconnector's facilities and is located between the telephone company equipment and the customer's equipment located in the cage. The interconnector must identify the particular end users, the specific wired circuits that are to be interconnected at the point of termination, and the facility or channel assignment when the service is multiplexed to the DS0 level. Nevada Bell will engineer the circuit between its equipment and the point of termination to meet the EIS customer's requirements. Thus, there is no basis for a claim that Nevada Bell

¹⁴ Nevada Bell, Tariff F.C.C. No. 1, § 18.2(A)(12)(b).

will deprive an interconnector of control over channel assignment or its network. This is the same procedure Nevada Bell employs currently to interconnect its special access facilities with interexchange carriers that specify channel assignments on the Nevada Bell facilities.

F. Provisions Governing Warehousing and Efficient Use of Space

(a) Nevada Bell does not restrict the amount of floor space that ancillary equipment may occupy within an interconnector's space.

(b) Nevada Bell's tariff currently requires an EIS customer to "have the capability of terminating their transmission facilities at" Nevada Bell's Special Access facilities within 180 days of its request.¹⁵ Nevada Bell, however, plans to amend this provision to measure the 180 day period from the date of occupancy. Although Nevada Bell currently has a significant amount of unused space in the four central offices, it has a continuing interest in assuring that available space is used efficiently. Further, the interconnector's right to install its equipment in a Nevada Bell central office is conditioned on its commitment to use that space to offer competitive exchange access services. Six months provides a more than adequate period for the interconnector to activate its service.

Nevada Bell also retains the right to repossess unutilized space from an EIS customer, on 60 days notice, when such

¹⁵ Nevada Bell, Tariff F.C.C. No. 1, § 18.2(A)(7).

space is actually needed by Nevada Bell.¹⁶ Although it is unlikely, in view of the space available in the central offices and the expected demand for special access EIS service, that this contingency would arise in the foreseeable future, it is reasonable and consistent with the Special Access Order for Nevada Bell to have the right to assure that central offices are used efficiently.¹⁷

(c) Nevada Bell's tariff requires an interconnector to use its leased space efficiently prior to requesting additional space in the central office.¹⁸ The tariff further defines the term "efficiently used" to mean that "substantially all of the floor space is taken up by operating transmission equipment, placed no greater than 20 percent above the minimum distances permitted by NEBS." The latter requirement is designed to prevent interconnectors from devoting excessive space to aisles and walkways. The establishment of this objective standard for assessing efficient use provides assurance that the requirement will be applied consistently. The fact that there may be space available for other interconnectors at the time the additional space is requested is unimportant. Nevada Bell's obligation is to use the limited space within a central office efficiently. Regardless of the space availability at a particular point in time, over the long run it is likely that all space in a central office

¹⁶ Nevada Bell, Tariff F.C.C. No. 1, § 18.2(A)(6).

¹⁷ Report and Order and Notice of Proposed Rulemaking, 7 FCC Rcd. 7369, 7408 (1992).

¹⁸ Nevada Bell, Tariff F.C.C. No. 1, § 18.2(a)(12)(a).

will be needed to maintain service to the public. It is bad business and bad policy to require Nevada Bell to provide additional space that would not be needed if the interconnector used its existing space efficiently.

G. Termination Notice

(a) Nevada Bell may terminate service to an EIS customer on 60 days notice, provided that the customer's space is needed by the telephone company and is not in use by the customer.¹⁹ Given the latter requirements, 60 days is clearly a reasonable period for a customer to remove idle equipment and make any other arrangements that may be necessary to comply with the termination date.

(b) Nevada Bell imposes the same requirement of 60 days notice for an EIS customer that wishes to terminate its intercommunication service.²⁰ This period provides adequate time for Nevada Bell to plan and prepare for occupying the customer's space and for the EIS customer to remove its equipment and notify its end users of the scheduled termination so that they may make alternative arrangements without any disruption of service.

(c) The notice period for termination by Nevada Bell and its EIS customer is the same.

¹⁹ Nevada Bell, Tariff F.C.C. No. 1, § 18.2(A)(16).

²⁰ Nevada Bell, Tariff F.C.C. No. 1, § 18.8.1.

H. Grounds for Termination By Nevada Bell

(a) Nevada Bell's tariff authorizes the termination of special access EIS service if the customer fails to comply with the insurance coverage requirements set forth in Section 18.5(B) or fails to carry out its obligations under Section 18.7.²¹ It bears emphasis that this right of termination is limited to instances in which the customer has not satisfied specific responsibilities that are clearly delineated in the tariff. Further, those responsibilities are subject to public comment and FCC review prior to becoming effective. It is reasonable to hold EIS customers accountable for their failure to comply with such obligations, just as other access service customers are held accountable.²²

In Nevada Bell's view, all of the provisions of Section 18.5(B) and 18.7 are material. As discussed below, maintenance of adequate insurance coverage is essential in view of the fact that the interconnector's facilities will be located in close proximity to Nevada Bell's central office switching and related facilities. If an EIS customer were permitted to continue to obtain service even when it failed to carry insurance in accordance with the specified requirements, Nevada Bell and its ratepayers would be forced to assume the financial risk of a potentially disastrous network service outage caused by that customer. Such a result would not further any public interest objective that the

²¹ Nevada Bell, Tariff F.C.C. No. 1, § 18.1.2(A) (6).

²² See Nevada Bell, Tariff F.C.C. No. 1, § 2.1(B).

Commission's special access expanded interconnection rules are designed to promote.

The customer obligations listed in Section 18.7 consist of a limited number of specific responsibilities that collectively assure that the operation of an EIS customer's equipment within a central office will not pose an unreasonable risk to Nevada Bell's ongoing provision of efficient, reliable service to its local exchange and access customers. An EIS customer, for example, is required to notify Nevada Bell of a significant outage in the customer's Interconnection Chamber that "could impact or degrade the Telephone Company's switches and services." If the customer can refuse to provide such notice with impunity, Nevada Bell will be unable to implement measures that may be necessary to minimize the potential for the customer's outage to affect adversely Nevada Bell's service to other customers.

(b) This issue does not apply to Nevada Bell's EIS tariff.

(c) Under Nevada Bell's tariff, a special access EIS customer that terminates service or has its service terminated is subject to applicable recurring charges until the date of termination as well as any accrued charges. Nevada Bell is entitled to recover charges incurred by a customer for services that it received. In addition, charges for discontinuance that are generally applicable to special access customers pursuant to Section 7.2.2 also apply to EIS customers.

(d) LECs should only be prohibited from terminating EIS when such termination would violate the law.

(e) This issue does not apply to Nevada Bell's EIS tariff.